



DEPARTMENT OF THE INTERIOR

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OIL PRODUCTION TO BE SUSPENDED IN ANETH AREA OF NAVAJO RESERVATION

Secretary of the Interior Fred A. Seaton today approved issuance of an order by the Geological Survey, concurred in by the Bureau of Indian Affairs, suspending oil production on Indian and Federal leases contributing to the waste of gas in the Aneth area of the Navajo Reservation in southeastern Utah.

Several hundred oil wells, largely on Navajo Indian lands, will be affected by the suspension which will be effective at 7:00 A.M., November 10.

The Navajo Tribal Council has asked the Department of the Interior to halt production wherever it is accompanied by waste or loss of oil or gas. In a resolution adopted October 6, the Council declared: "It is vital and essential to the interests of the tribe and for the sake of future oil and gas production that the burning and wasting of natural gases from wells on tribal lands be eliminated at the earliest possible time."

Secretary Seaton approved issuance of the suspension order after being informed that the Geological Survey had determined that about 64 million cubic feet of gas was being vented and lost daily from 327 wells in the Aneth field.

About 85,000 barrels of oil are being transported from the field by pipeline daily to California and Texas. In July, Navajo Indian leases produced 2,138,000 barrels, Federal leases 193,000 barrels, and the State of Utah leases 62,000 barrels.

"Suspension of production until a pipeline can be constructed to collect and save the natural gases produced with the oil is an essential conservation measure," Secretary Seaton said.

The Federal Power Commission has issued a temporary certificate to the El Paso Natural Gas Corporation authorizing construction of plant and pipeline facilities necessary for collection and transport of the gas produced in the field. A hearing is pending before the FPC on protests filed concerning the proposed contract prices for the gas.

The provisions of the leases covering the Navajo lands and the applicable oil and gas operating regulations of the Geological Survey provide authority to require the lessees to suspend production when necessary to prevent waste. This will be the first time that these provisions have been invoked by the Survey to suspend production.

The suspension order, to be issued by the Survey's oil and gas supervisor in Roswell, New Mexico, will provide for exceptions for any wells from which production is necessary to protect Indian or Government lands from drainage because of continued production from fee or State lands.

The Aneth area is in an isolated part of the Navajo Reservation, about 75 miles northwest of Shiprock, New Mexico. Twenty oil and gas operators are active in the area.

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